

Nomination Committee Terms of Reference

Role

The primary role of the Nomination Committee is:

- To review the structure, composition and diversity, of the board;
- To develop succession plans for directors and senior management; and
- To review the time commitments required from non-executive directors.

Duties

The Committee shall:

1. regularly review the structure and composition (including the skills, knowledge and experience and diversity) of the board and make recommendations to the board with regard to any changes;
2. ensure plans are in place for orderly succession to both the board and senior management positions and oversee the development of a diverse pipeline for succession. Appointments and succession plans should be based on merit and objective criteria and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
3. keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
4. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
5. be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise;
6. before an appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall
 - i. use open advertising or the services of external advisers to facilitate the search;
 - ii. consider candidates from a wide range of backgrounds; and
 - iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, taking care that appointees have enough time available to devote to the position;
7. for the appointment of a chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before appointment and any changes to the chairman's commitments should be reported to the board as they arise;
8. ensure that prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest

and be required to report any future business interests that could result in a conflict of interest;

9. ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
10. review the results of the board performance evaluation process that relate to the composition of the board;
11. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
12. work and liaise as necessary with all other board committees.

The Committee shall also make recommendations to the board concerning:

13. appointments for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
14. suitable candidates for the role of senior independent director;
15. membership of the Audit and Remuneration Committees, and any other board committees as appropriate, in consultation with the Chairmen of those committees;
16. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
17. the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the board;
18. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and
19. the appointment of any director to executive or other office.

General

20. The Committee will:
 - report formally to the board on how its duties have been discharged, as agreed with the board;
 - make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed;
 - review annually the Committee's effectiveness and terms of reference and recommend any changes to the terms of reference for approval by the board;
 - consider appropriate training for any members of the Committee; and
 - give due regard to applicable laws, regulations, codes and any other rules.

21. The Committee shall produce a report to be included in the Company's annual report in accordance with the requirements of the UK Corporate Governance Code.
22. The Committee may delegate any or all of its powers and authorities set out in these terms of reference to a sub-committee of the Nomination Committee.
23. The following governance matters are dealt with in the Nomination Committee's Governance Protocols included as an appendix to this document:
 - Membership and quorum;
 - Secretary, notice of meetings and minutes of meetings;
 - Frequency of meetings and attendees;
 - Information and advice.

Approved by the Board of Directors on 20 March 2019

Appendix: Governance Protocols

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| Membership, quorum and voting | <ul style="list-style-type: none"> • The Committee shall have a minimum of three members. • Members shall be appointed by the Board in consultation with the Nomination Committee Chair. • The Nomination Committee Chair shall be appointed by the Board and should either be the Chairman of the Board or an independent non-executive director. The Nomination Committee Chair shall attend the annual general meeting. The Chairman of the Board will not Chair the Nomination Committee when it is dealing with the appointment of their successor. • Each member of the Committee shall have one vote. • All members of the Committee are required to be independent non-executive directors. • Appointments to the Committee shall be for three years, extendable as agreed by the Board. • A quorum shall be two members. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting. |
| Secretary, notice of meetings and minutes | <ul style="list-style-type: none"> • The Company Secretary, or his or her nominee, shall act as the secretary. • At least five working days' notice will be given of all meetings unless all members agree to shorter notice. • The secretary will minute the proceedings of each meeting which will be circulated to all members of the Committee and, once agreed, to all other members of the board unless the Nomination Committee Chair considers this inappropriate. |
| Frequency of meetings and attendees | <ul style="list-style-type: none"> • The Committee shall meet at least twice a year. Only members of the Committee are entitled to attend and vote at meetings. The Nomination Committee Chair may invite any employee or third party to attend any meeting of the Committee. |
| Information and advice | <p>The Committee is authorised to:</p> <ul style="list-style-type: none"> • Investigate any activity within its terms of reference; • Seek any information it requires from any employee of the Company in order to perform its duties; • Obtain at the Company's expense, independent legal, accounting or other professional advice on any matter it believes necessary to do so; and • Call any employee to attend and answer questions at any meeting of the Committee. |